



**SPECIAL MEETING OF THE
BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Tuesday, February 27, 2024
6:00 pm
Cypress Room, University Hospital
4502 Medical Drive
San Antonio, Texas 78249-4493

MINUTES

BOARD MEMBERS PRESENT:

James R. Adams, Chair
Jimmy Hasslocher, Vice Chair
Margaret Kelley, MD, Secretary
Anita L. Fernandez
Patricia (Pat) Jasso
Diana Burns, MD
David J. Cohen, MD

OTHERS PRESENT:

George B. Hernández, Jr., President/Chief Executive Officer, University Health
Edward Banos, Executive Vice President/Chief Operating Officer, University Health
Ted Day, Executive Vice President/Strategic Planning & Business Development, University Health
Reed Hurley, Executive Vice President/Chief Financial Officer, University Health
Shelley Kofler, Senior Public Relations Manager, Corporate Communications, University Hospital
Robert Hromas, MD, Dean and Professor of Medicine, Vice President for Medical Affairs, UT Health San Antonio
Michael Little, MD, President, Medical/Dental Staff, University Health; and Associate Professor, Department of Anesthesiology, UT Health SA
Dr. Sally Taylor, Senior Vice President, Chief of Behavioral Medicine, University Health
Serina Rivela, Vice President / Chief Legal Officer, University Health
Bill Phillips, Executive Vice President/Chief Information Officer, University Health
Christopher Sandles, President/Hospital Operations, University Health
Don Ryden, Vice President/Project, Design & Construction, University Health
Travis Smith, Chief Financial Officer/Clinical Operations, University Health
Andrew Smith, Executive Director, Government Relations and Public Policy
Horacio Vasquez, Executive Director, Supply Chain Management, University Health
Larry Wallis, Director, Internal Audit Services, University Health
Sherrie King, Chief of Police, BCHD Protective Services, University Health
Andrea Casas, Vice President, Chief Human Resources Officer, University Health

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Dr. Brian Alsip, Executive VP, Chief medical Officer, University Health
Dr. Juan Garza, Sr. VP, Chief Quality & Health Informatics Officer, University Health
Brian Freeman, Executive Director, Capital Improvements, University Health
Elizabeth Allen, Director, External Communications, Corporate Communications, University Health
And other attendees.

CALL TO ORDER:

Mr. Adams called the Board meeting to order at 6:04 pm

INVOCATION AND PLEDGE OF ALLEGIANCE — JIM ADAMS, CHAIR

Invocation – Dr. Blaise Langan, First Baptist Church of San Antonio — *Jim Adams, Chair*

Mr. Adams led the pledge of allegiance.

PUBLIC COMMENT: Dr. Tom Mayes provided comments to the Board as a very grateful patient. Three years ago he was a Transplant Patient awaiting a double lung transplant. Dr. Mayes expressed his gratitude for the University Doctors and staff and UT Health San Antonio staff. Additionally he commented on his concern for the lack of a Certified Pulmonary Rehabilitation Program and also a photopheresis service. Dr. Mayes pointed out that Methodist in process of starting a Lung Transplant Program to compete with you University Health and will lead to a dilution of the Donor Pool for lungs and possible changes in referral patterns from the Pulmonologists who refer their patients to Transplant Centers. Dr. Mayes urges an aggressive regional advertising campaign in an effort to promote University Health Transplant Program. Dr. Mayes closed by congratulating Mr. Hernandez on his upcoming retirement and the partnership he had while with Dr. Mayes served in the office of the Dean at UT Health, and several others in the room. Mr. Adams & Mr. Hassloch expressed their appreciation for Dr. Mayes' words and wished him well.

APPROVAL OF MINUTES OF PREVIOUS MEETING: December 12, 2023 (*Special Meeting*)
January 30, 2024 (*Regular Meeting*)

SUMMARY: The minutes of the Board meetings of Tuesday, December 12, 2023 and January 30, 2024 were submitted for the Board's approval.

RECOMMENDATION: Staff recommends approval of the minutes as submitted.

ACTION: A **MOTION** to **APPROVE** staff's recommendation was made by Ms. Fernandez, **SECONDED** by Ms. Jasso, and **PASSED UNANIMOUSLY.**

EVALUATION: None.

FOLLOW UP: None

Report from UT Health San Antonio — Robert Hromas, MD., Dean and Professor of Medicine, Vice President for Medical Affairs, UT Health San Antonio

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SUMMARY: Dean Hromas / Acting President Hromas provided a brief update on President Henrich is doing well with his treatment and sends his regards. Dean Hromas stated the NCI will be giving an update regarding the Breast Center Program as they will be receiving a million dollar grant to conduct research on Inherited Breast Cancer. School of Public Health currently taking applications for the August 2024 Fall Semester Masters of Public Health. Additionally, the UT CRNA School is taking applications for the first 20 students co-taught by the Anesthesiology Department. Lastly, IBC donated a \$2 million gift develop Hispanic Health in South Texas. Dr. Little added his comments regarding the first University Health Med Ex meeting and appreciates the leadership and staff. He reflected on the invocation prayer focusing on Unity.

University Health Foundation Annual Report — *Sara Alger/Judge Renée Yanta*

SUMMARY: Sara Alger introduced the new University Health Foundation Chairman, Judge Rene Yanta. Judge Yanta thanked the Board for the opportunity to attend this meeting and for the leadership the Board and staff provide this hospital system and the community. Judge Yanta thanked the previous Chair Yvonne Gonzalez and her efforts during her 2-year term. She looks forward to working with the Foundation, University Health and its Board of Managers

The Women's and Children's Campaign is officially closed, raising an unprecedented \$28,750,000 for University Health. We had 5,487 unique donors to the campaign overall. Disbursement of campaign dollars is already occurring to support the programs and services inside our newest hospital. In addition, this campaign produced three (3) endowed positions to aid in both recruitment and retention of physicians. On March 5, we will host a volunteer cabinet one last time to celebrate this historic success. (The Foundation did fund or commit to fund eight projects from current Foundation assets; at least three projects have come to fruition without the Foundation's assistance).

Additionally, in partnership with Chief Legal Officer Serina Rivela, we were able to update the Foundation bylaws. The bylaws were passed by the Foundation board in November and approved by the Board of Managers in December.

In 2023, the Foundation disbursed more than \$3.1 million back to University Health strategic priorities. This is the most disbursed by the Foundation in any one year. We disbursed \$1.4 million for Women's and Children's initiatives guided by our campaign efforts. Assistance (patient, staff and scholarship) was our next largest bucket of disbursement with \$450,000. And, for the first time ever, the Foundation disbursed dollars outside of UH walls to two separate organizations through the Uvalde Victim Relief Fund for a total of \$350,000.

In December of 2023, the Foundation committed to three other items: Xi Davinci Robot for \$2.5 million; two motion tables for the OR for \$250,000, and the refurbishing of the mammography bus into a new blood collection bus for \$200,000.

NEW BUSINESS – CONSENT AGENDA – JIM ADAMS, CHAIR

Consideration and Appropriate Action Regarding Medical-Dental Staff Membership and Privileges — *Michael Little, M.D., President, Medical/Dental Staff*

SUMMARY: The Credentials Committee met on January 29, 2024 and reviewed the credential files of the individuals listed on the attached Credentials Report and the Professional Performance Evaluation Report. In its meeting of February 6, 2024, the Executive Committee of the Medical-Dental Staff recommended approval of the Credentials Committee Report.

Consideration and Appropriate Action Regarding Medical-Dental Staff Recommendations for Professional Practice Evaluations and Delineation of Privileges — *Michael Little, M.D., President, Medical/Dental Staff*

SUMMARY: The Credentials Committee met on January 29, 2024 and reviewed proposed revisions to Delineation of Privilege and the Professional Performance Evaluation Report and forms. In its meeting of February 6, 2024, the Executive Committee of the Medical-Dental Staff recommended approval of the attached Delineation of Privileges and Focused/Ongoing Professional Performance Evaluation Report.

Consideration and Appropriate Action Regarding Rescission of Policy 7.15, Wireless Communications and Policy 8.03.01, Ambulance Services — *Travis Smith*

SUMMARY: Policy 7.15, Wireless Communication Usage & Business Expense Reimbursement – The original policy was implemented at a time when wireless cell phone usage was billable per minute with texting and other data connectivity at additional cost. The incremental cost for individual employees to be available via cell phone for business purpose is no longer relevant and Human Resource procedures are in place to ensure that staff who are on-call or working remotely are available via cell phone as the needs of the business dictate. Therefore, Policy 7.15 is no longer necessary.

The Ambulance Service Policy 8.03.01 was implemented at a time when University Health provided ground Ambulance Service with its own staff and ambulance resources. Since then, University Health has outsourced ambulance service to a third party who is regulated by the Texas Health & Safety Code; Title 9 to address the safe and efficient care of University Health patients during transportation to a medical facility. Additional policy details that address the Requirements of Transfer are addressed in existing University Health Policies 8.03 Emergency Medical Treatment and Patient Transfer and Nursing Departmental Policies. As such, the existing Ambulance Service Policy 8.03.01 is no longer relevant.

Consideration and Appropriate Action Regarding Professional Services Agreements Funded through the U.S. Health Resources & Services Administration and Texas Department of State & Health Services in Support of the Ryan White Part A, Part B and Ending the HIV Epidemic Programs with (1) Alamo Area Resource Center; (2) Black Effort Against the Threat of AIDS Coalition Trust; (3) CentroMed; and (4) San Antonio AIDS Foundation — *Roberto Villarreal, M.D.*

SUMMARY: University Health received the FY24-25 Notice of Award from the Health Resources and Services Administration (HRSA) and Texas Department of State & Health Services to supports the University Health efforts to reduce new HIV infections and to provide services to persons living with HIV. The purpose of this Agreement is to provide funds to the Alamo Area Resource Center (AARC), Black Effort Against the Threat of AIDS Coalition Trust (BEAT AIDS), El Centro del Barrio, Inc. d/b/a CentroMed, and San Antonio AIDS Foundation (SAAF) for medical and support services for people affected by HIV/AIDS. The Ryan White HIV/AIDS Program (Ryan White) is the most extensive federal

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program designed to provide outpatient care and support services to individuals affected by HIV. HRSA funds the HIV care and support services through the Ryan White and Ending the HIV Epidemic (EHE) grants and provides funding to states and territories (Part B) to improve the quality of and access to HIV health care and support services. The AARC, BEAT AIDS, and SAAF are local non-profit organizations. The CentroMed is a Federally Qualified Health Center. These four organizations offer a range of wraparound services and continuum of care for people with HIV/AIDS and other underserved patient population.

This Agreement will allow these four organization to receive HRSA Funds from budget period 3/1/2024-2/28/2025 and DSHS Funds from budget period 4/1/2024-3/31/2025 to care for persons with HIV in Bexar County and other South Texas counties most severely affected by the HIV/AIDS epidemic.

The primary goal and objective of these funds are to ensure the continuation of high-quality core medical and support services to Persons Living with HIV/AIDS while maintaining and increasing viral suppression rates. The purpose of this agreement and continued collaboration with AARC, BEAT AIDS, CentroMed, and SAAF is to offer low-income People living with HIV medical care and support services. This partnership will allow for a seamless continuum of care for persons living with and affected by HIV/AIDS in Bexar County and surrounding areas. Based on the San Antonio HIV Health Services Planning Council’s deliberations and allocations, these agreements will fund 14 HRSA defined service categories, including the AIDS Pharmaceutical Assistance (Local), Emergency Financial Assistance, Food Bank/Home Delivered Meals, Health Insurance Premium, Medical Case Management, Medical Transportation, Mental Health Services, Oral Health and other services.

Source of Funding FY24-25	Overall Budget	Allocated Funds
Ryan White Part A Formula 03/01/2024-02/28/2025	\$3,704,463	AARC: \$1,006,789 BEAT AIDS: \$172,705 CentroMed: \$586,910 SAAF: \$573,135
Ryan White Part A Supplemental 03/01/2024-02/28/2025	\$1,970,324	AARC: \$542,578 BEAT AIDS: \$95,202 CentroMed: \$318,576 SAAF: \$310,403
Ryan White Part A Minority AIDS Initiative 03/01/2024-02/28/2025	\$564,876	AARC: \$211,456 BEAT AIDS: \$91,275 CentroMed: \$65,060 SAAF: \$75,383
Ending the HIV Epidemic Program – Operation BRAVE 03/01/2024-02/28/2025	\$2,000,000	AARC: \$499,846 BEAT AIDS: \$315,600
RWHAP Part B 04/01/2024-03/31/2025	\$1,567,238	AARC: \$411,138 SAAF: \$315,115

Consideration and Appropriate Action Regarding Professional Services Agreements Funded through the U.S Department Health & Human Services, Office of Minority Health, in Support of the Baby Bexar Maternal Health Program with (1) Any Baby Can; (2) Catholic Charities, Archdiocese of San Antonio, Inc. (San Antonio Birth Doulas); and (3) Family Service of San Antonio, Inc. — Roberto Villarreal, M.D./Anna Taranova M.D.

SUMMARY: On September 19, 2023, the federal agency Office of Minority Health (OMH), the U.S. Department of Health and Human Services, awarded Bexar County Hospital District \$4,999,645 over a four-year period to implement the Baby Bexar Program. *Baby Bexar: Healing Families and Building Community in Bexar County and Beyond* is a four-year program to improve pregnant and post-partum health outcomes and reduce racial and ethnic disparities in partnership with community-based maternal social service organizations. *Baby-Bexar* is designed to help improve maternal and infant health outcomes by: a) increasing access to healthcare including mental healthcare, b) addressing the adverse effects of obesity, hypertension and diabetes on pregnancy and c) connecting women and families to additional supportive services provided by our social service agency partners: Any Baby Can, Catholic Charities/San Antonio Birth Doulas, and Family Service. Any Baby Can and University Health have collaborated closely for over ten years primarily around bereavement support for parents who have suffered the loss of their child. Once connected with Any Baby Can, the family is provided with over \$500 worth of support in the form of caskets, urns, burial assistance, and grief counseling.

As of April 2023, Catholic Charities’ Nurturing Families Program of Del Rio, TX has the ongoing and successful collaboration with University Health offering prenatal and postpartum workshop series to patient and families and to provide doula services to pregnant women overcoming substance use disorders. The purpose of this Agreement is to provide funding through the Baby Bexar grant to Any Baby Can, Catholic Charities/San Antonio Birth Doulas, and Family Service and offer a wrap-around care model with a community-based maternal social service approach to maternal health. The activities included in this agreement are part of the Baby Bexar program and are funded entirely by the Office of Minority Health (Unique Federal Award Identification Number CPIMP231368). The award reimburses University Health for the organization, coordination, and administration of the program. The table below reflects the funding that staff has programmed for the Baby Bexar collaborators per the grant application.

Period/Year	Overall Baby Bexar Program Budget	Programmed Collaboration Budget
Y1: FY 23-24 09/30/2023-9/29/2024	\$1,249,902	Any Baby Can: \$85,800 Catholic Charities: \$144,000 Family Service: \$105,000
Y2: FY 24-25 09/30/2024-9/29/2025	\$1,249,934	Any Baby Can: \$88,374 Catholic Charities: \$148,320 Family Service: \$108,150
Y3: FY 25-26 09/30/2025-9/29/2026	\$1,250,000	Any Baby Can: \$91,025 Catholic Charities: \$152,770 Family Service: \$111,395
Y4: FY 26-27 09/30/26-09/29/2027	\$1,249,808	Any Baby Can: \$93,756 Catholic Charities: \$157,353 Family Service: \$114,736

Consideration and Appropriate Action Regarding an Amendment to the Lease Agreement with MASEHO, Inc. for Office Space at 4801 NW Loop 410, San Antonio, Texas — Don Ryden

SUMMARY: University Health has been leasing office space at Corporate Square Tower since 2009. Since then, there have been a total of ten (10) Amendments approved by the Board. Each amendment either modifying the leased portfolio and/or the term(s) associated with the portfolio. Today the active leased spaces associated with the portfolio are suites 200, 203, 260 and 380. Suites 200, 203 and 260 (18,080 sf) provide office space for Grants Management (i.e.-Research and Information Management, Community Initiative and Population Health, Ryan White). Suite 380 (4,232 sf) provides office space for the University Health Foundation. The lease agreements associated with the portfolio are both due to expire later this year with suites 200, 203 and 260 expiring in August and suite 380 expiring in July. Staff is seeking approval to extend the lease agreement for suites 200, 203 and 260 for a period of 36 months commencing on August 1, 2024 and expiring on July 31, 2027. The lease rate for suites 200, 203 and 260 will be \$24.50 RSF and thereafter escalate annually at a rate of \$0.50 per RSF. The landlord has offered a tenant improvement (T.I.) allowance of \$8/sq. ft. (\$144,640) to refresh the 2nd floor space. The base rent for suites 200, 203 and 260, will be an operational expense of \$1,356,000. Staff further requests that the Board of Managers authorize the President/Chief Executive Officer to execute the Lease Amendment with MASEHO, Inc. for \$1,399,202.

Consideration and Appropriate Action Regarding a Contract with Henock Construction, LLC for Clinical Interior Renovations at the University Health Kenwood and Zarzamora Clinics — Don Ryden

SUMMARY: University Family Health Center – Kenwood is located at 302 Dora, San Antonio, Texas. The Zarzamora Clinic is located at 4503 South Zarzamora, San Antonio, Texas. Both clinics have served their respective communities since 2008. These clinics have received only minor renovations in the last fifteen (15) years, and are in need of clinical and finish upgrades. The work shall include demolition, new wall systems, insulation, new flooring and rubber base, new ceilings, drywall, painting, new doors, new millwork, new solid surface countertops, new sinks and faucets, new lighting, power and data, new security cameras, telephone, data and new plumbing.

University Health solicited Request for Competitive Sealed Proposals (RFCSP-223-11-071-CNST and RFCSP-223-11-072-CNST) for Construction Services with three (3) firms responding for each clinic. The following tables list the 3 submittals and their corresponding construction pricing and schedule in calendar days:

Kenwood

	Henock Construction	Mission 1 Contractors	REC Industries, Inc.
\$ Amount	\$1,018,000	\$1,215,136	\$1,842,000
Calendar Days	270	303	365

Zarzamora

	Henock Construction	Mission 1 Contractors	REC Industries, Inc.
\$ Amount	\$1,198,000	\$1,397,266	\$2,112,659
Calendar Days	270	180	365

The submittals were evaluated based on the qualification criteria included in the RFCSP. Of the firms that proposed, Henock Construction, LLC. was selected based on their competitive pricing (\$2,216,500 for both clinics), proposed schedule, healthcare experience and safety record.

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Staff has reviewed the Henock Construction pricing for construction services and recommends approval of its proposals: \$1,198,500 for Kenwood clinic and \$1,018,000 for Zarzamora clinic. This purchase is to be funded from 2024 operational funds.

Combined Project Budget Summary	
Scope	Cost
Design	\$ 87,538
Pre-construction services	\$ 25,000
Construction Services – Kenwood (This request)	\$1,018,000
Construction Services – Zarzamora (This request)	\$1,198,500
Signage	\$ 30,000
FF&E	\$ 150,000
IT	\$ 400,000
Total	\$2,909,038

Consideration and Appropriate Action Regarding a Contract with HDR Architecture, Inc. for Design Services for the Women’s and Children’s Hospital Mother’s Milk Bank Project — *Don Ryden*

SUMMARY: The opening of the Women’s and Children’s Hospital (WCH) includes a new kitchen facility for the hospital campus. The previous kitchen was located on the third floor of the Rio Tower. The relocation of the kitchen to WCH provides space and refrigeration equipment that can be utilized for receiving, processing, and distributing human milk. This space is convenient to elevators and the south loading dock, which will facilitate shipping and receiving. As part of the development of the Milk Bank, University Health Foundation has received \$1million from a generous donation from Frost Bank. This amount will be used to offset future construction costs of this project.

HDR Architecture, Inc. (HDR) is an architectural/engineering (A/E) firm with experience in the design of milk banks. As part of the initial due diligence for this project, HDR was retained to provide architectural and engineering services for partial Design Development allowing for the programming and scope of the project to be appropriately defined.

HDR has a previously negotiated with University Health an On-Call Professional Services for Small Projects Contract No. 221109192-IE dated October 27, 2021. These design services are part of that agreement, and therefore these fees have been priced accordingly.

Staff has reviewed the HDR pricing for the design and contract administration services and recommends approval of their proposal in the amount of \$269,885. This purchase is to be funded from 2024 capital funds.

\$ 89,000	Partial Design Development Phase
\$269,885	Design Completion Services and Contract Administration - This Request
\$358,885	Total

This project will support UH efforts to ensure that pre-term and high-risk infants in our community have their nutritional needs addressed.

Consideration and Appropriate Action Regarding Renewals of Contracts for Inpatient Hospice Services with (1) Adoration Home Health and Hospice, Inc. d/b/a Embrace Hospice; and (2) TJS Management, LLC d/b/a Holy Savior Hospice and Palliative Care — Lisa Sanchez

SUMMARY: In December 2015, an RFP was released to the public for respondents to oversee an inpatient hospice program for University Health and some agencies were selected for the contract in March of 2016. Over the years, University Health worked closely with these agencies to provide GIP hospice services for our patients transitioned to their care, which helped address challenges with end of life cases in our facility.

In July 2021, a new RFP was released to the public for respondents to oversee the inpatient hospice program and general hospice services for University Health.

Adoration Home Health & Hospice, Inc. dba Adoration Hospice Care Texas, LLC – Embrace Hospice (“Embrace Hospice”) and TJS Management, LLC dba Holy Savior Hospice (“Holy Savior Hospice”) were the agencies selected for new contracts to begin in February 22, 2022 through February 22, 2023, (one year), with the option to renew for an additional year. A 90 day extension was executed on February 22, 2023 through May 22, 2023.

University Health will continue to provide space, nursing, dietary, pharmacy support, and EHR availability for nurse and pharmacy charting. There will be four Levels of Care and Flat Rate Fee Pricing:

- Routine Home Care: **\$131.33 to \$166.15**
- Continuous Care: **\$1,194.56**
- Inpatient Respite Care: **\$393.90**
- General Inpatient Care: **\$878.84**

Total compensation awarded and split evenly between both companies under this agreement will not exceed \$1.2M over period February 22, 2024 through February 22, 2026.

For funded patients, Company will bill insurance directly for services and Company will pay University Health the GIP rates (\$878.84), per day as shown above for any patient requiring the utilization of University Health facility space, nurse, medications, and ancillary services. For unfunded patients, Company will bill University Health the IP Respite Care rate (\$393.90) per day, as shown above, once referred and accepted for inpatient hospice services at the facility. Estimated monthly volume of referrals is expected to be about 20. We expect 75% (15) of the patients to be insured and 25% (5) to be uninsured. The financial projection is as follows:

The contracts are expected to be positive to budget neutral. The cost of payment to Company (s) for uninsured patients will be offset by the income of payments from Company (s) for insured patients. These patients would have otherwise remained inpatient hence significant cost savings will be realized overall by the change in status. Historically we generate approximately \$1.1M annually for funded patients and projected to pay out about \$1.2M over two years.

Consideration and Appropriate Action Regarding Purchasing Activities (See Attachment A)

— *Reed Hurley/Travis Smith*

SUMMARY: The Purchasing Consent package includes three sections that provide the following information.

- “Attachment A” provides a list of each item under consideration by the Board of Managers.
- The “Summary of Purchasing Activity” includes the detail of monthly purchasing activity among vendor categories: SMWVBE, Local, and Not-for Profit.
- The subsequent numbered pages follow the reference number in “Attachment A”. These pages provide additional supporting detail for each proposed contract within the Purchasing Consent.

University Health’s Purchasing Consent attachment for the month of February 2024 includes 27 proposed contracts for Board of Managers action. The total requested Board of Managers approval for these 27 contracts is \$19,584,377. Additional Presented contracts during the February 2024 Board of Managers meeting total \$187,527,399 and are considered for approval separate from the Purchasing Consent.

RECOMMENDATION: Staff recommends Board of Manager’s approval of Purchasing Consent Agenda Items in the amount of \$19,584,377.

ACTION: A **MOTION** to **APPROVE** staff’s recommendation was made by Ms. Fernandez, **SECONDED** by Dr. Kelley, and **PASSED UNANIMOUSLY**.

EVALUATION: None.

FOLLOW UP: None

Action Items:

Consideration and Appropriate Action Regarding Selected Purchasing Items:

Consideration and Appropriate Action Regarding Commissioning of Peace Officers for Bexar County Hospital District — *Chief Sherrie/King/Deputy Chief Maxwell/ Ed Banos*

SUMMARY: University Health is authorized by the Texas Health & Safety Code to appoint and commission peace officers to provide a safe and secure environment for patients, visitors, staff, and facilities. A peace officer’s authority is limited to property owned or controlled by University Health, including an abutting street, right of way or easement in the property.

The Texas Code of Criminal Procedure identifies persons commissioned by the Board of Managers of University Health as peace officers.

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The credentials of Carlos Carrillo have been examined and certified by the Chief of Police as meeting all of the requirements of a University Health Peace Officer.

As required of all University Health peace officers, Mr. Carrillo has completed all necessary training requirements. The commissioning of this Peace Officer will be filling one open positions due to a budgeted New Full Time Employee position.

RECOMMENDATION: Staff recommends Board approval to commission Carlos Carrillo as a Bexar County Hospital District Peace Officer.

ACTION: A **MOTION** to **APPROVE** staff's recommendation was made by Dr. Kelley, **SECONDED** by Dr. Cohen, and **PASSED UNANIMOUSLY**.

EVALUATION: None.

FOLLOW UP: None.

Consideration and Appropriate Action Regarding Participation in the Eighth Year of the Quality Incentive Payment Program (QIPP) for Skilled Nursing Facilities with Licenses Owned by University Health and Managed by Touchstone Communities and Authorizing All Actions in Support Thereof — Ted Day

SUMMARY: University Health currently owns the licenses for four skilled nursing facilities managed by Touchstone Communities (Touchstone): The Heights on Huebner and Stone Oak Care Center (both located in San Antonio), Country Care Manor (located in La Vernia), and The Heights (located in Pleasanton), and has participated in the Quality Incentive Payment Program for Skilled Nursing Facilities (SNF QIPP) with these facilities since September 1, 2017. This is measured and accomplished using quality measures established by the Centers for Medicare & Medicaid Services (CMS).

The Board of Managers authorized continued participation in QIPP for Years 2 through 7, with the most recent authorization approved last year at the February 28, 2023 meeting. Organizations wanting to participate in the upcoming Year 8 of the program need to enroll between March 15, 2024 and April 15, 2024.

Under the SNF QIPP directed payment program, skilled nursing facilities can earn supplemental payments based on improved performance on specific quality indicators. For the initial seven years of the SNF QIPP program, the structure has included both pay-for-reporting and pay-for-performance quality measures. For the eighth year of SNF QIPP, however, the HHSC is restructuring the SNF QIPP program such that all components are pay-for-performance and focused on nationally recognized quality measures. Nursing facilities will be measured on four components that tie to the following strategy goals:

1. Keep patients free from harm by building a safer healthcare system that limits human error.
2. Promote effective practices for people with chronic, complex and serious conditions to improve people's quality of life and independence, reduce mortality rates, and better manage the leading drivers of healthcare costs.
3. Attract and retain high-performing Medicaid providers, including medical, behavioral health, dental, and long-term services and supports providers to participate in team-based, collaborative and coordinated care.

There are two classes of skilled nursing facilities that are eligible to participate in SNF QIPP: non-state government-owned (NSGO) nursing facilities and privately-owned nursing facilities that have a percentage of Medicaid nursing facility days of service greater than or equal to 65%. University Health and its partner, Touchstone Communities, are participating in SNF QIPP as NSGO nursing facilities. As such, the four-partnered facilities are eligible to earn incentives under all four components of SNF QIPP:

1. **Component One: Hospital Partner Minimum Data Set (MDS) Measures** – SNF demonstrates improvement in at least two of the five quality metrics against quarterly targets (5% improvement each quarter)
2. **Component Two: Workforce Development** – SNF demonstrates compliance with three staffing-related metrics
3. **Component Three: Texas Priority MDS Measures** – SNF demonstrates improvement with three long-stay quality metrics against quarterly targets (5% improvement each quarter)
4. **Component Four: Resident Focus MDS Measures** – SNF demonstrates improvement with two long-stay quality metrics against quarterly targets (5% improvement each quarter)

Note that components one and four are only open for NSGOs, whereas components two and three are open to all nursing facilities participating in SNF QIPP. HHSC is pending CMS final approval of these quality metrics and requirements. In order to comply with CMS, SNF QIPP, and University Health reporting requirements, Touchstone has a robust internal quality assurance and performance improvement committee in place that University Health Quality Staff participate in each month.

RECOMMENDATION: Staff recommends that the Board of Managers approve participation in the eighth year of the Quality Incentive Payment Program (QIPP) for Skilled Nursing Facilities with Licenses owned by the Health System and managed by Touchstone Communities and authorize the President/Chief Executive Officer to execute all actions in support thereof.

Comments / Discussion: Mr. Hasslocher asked about ownership and if Dr. Alsip felt comfortable with this report. Dr. Alsip is optimistic about the direction of the program. Ms. Fernandez asked what happens after Year 8? Ted Day commented that the program should continue indefinitely after Year 8 and on the state due to the funding coming from the state. This program increases the Medicaid reimbursement payment. We have no relations to the four Veterans homes in this program. Discussion continued on management of building and the locations of the nursing homes. Dr. Kelley requested that the Strategy of the Hi-Value Post-Acute network, the Skilled Nursing Facilities and wider network be presented at the next board.

ACTION: A **MOTION** to **APPROVE** staff's recommendation was made by Mr. Hasslocher, **SECONDED** by Dr. Cohen, and **PASSED UNANIMOUSLY**.

EVALUATION: None.

FOLLOW UP: None

Consideration and Appropriate Action Regarding a Professional Services Agreement with UT Health San Antonio for Pediatric ENT Services — Ed Banos

SUMMARY: The UT Health San Antonio (UT Health) Department of Otolaryngology provides adult and pediatric ENT professional services at University Hospital. University Health currently supports those services through the Master Health Care Services Agreement.

Although there is a nationwide shortage of pediatric ENT specialists, UT Health has been able to recruit and hire three of these highly sought after physicians over the past few years.

However, due to the high demand for their services, University Health and UT Health leadership have determined that the most prudent course of action to retain these physicians is to enter into a professional services agreement between University Medicine Associates (UMA) and UT Health to lease the services of these pediatric ENT specialists.

As an integral part of this arrangement, UT Health and University Health have agreed to modify the Master Health Care Services Agreement by eliminating all support related to pediatric ENT services. Coupled with UMA billing and collecting for all professional services provided by the pediatric ENT specialists, 97% of the lease expense will be offset as detailed in the Fiscal Impact section of this report. University Health will also work together with UT Health to hire an additional pediatric ENT specialist to supplement and expand this important service line.

The annual cost of this lease agreement between UMA and UT Health is an amount not to exceed \$1,960,057. This consists of salary, retention incentives, benefits and overhead for 2.20 FTE of pediatric ENT MD services and .88 FTE of pediatric ENT Advanced Practice Provider services. The annual support for pediatric ENT services that will no longer be paid to UT Health through the Master Service Agreement is \$1,163,364. The anticipated annual UMA professional fee collections generated by the leased providers is \$739,494, making the net additional expense to University Health \$57,199 per year.

RECOMMENDATION: Staff recommends Board of Managers' approval to enter into this Professional Services Agreement with UT Health San Antonio to provide pediatric ENT specialty services for a one-year term from April 1, 2024 through March 31, 2025 at an annual cost not to exceed \$1,960,057.

ACTION: A **MOTION** to **APPROVE** staff's recommendation was made by Mr. Hasslocher, **SECONDED** by Dr. Cohen, and **PASSED UNANIMOUSLY**.

EVALUATION: None.

FOLLOW UP: None

Consideration and Appropriate Action Regarding the Purchase of Image Guided Therapy System and Turnkey Installation to Upgrade the Hybrid Operating Room 17 Sky Tower —

Don Ryden/Ed Banos

SUMMARY: University Health has thirty-three operating rooms (ORs) that are located at the main campus within the Sky Tower. When the Sky Tower opened in April 2014, two of the operating rooms, OR 14 and OR 17 were designed and built to be hybrid operating rooms. Operating Room 17 is primarily utilized by vascular surgery with the existing hybrid equipment but other specialty services such as cardio thoracic and transplant have utilized the room when necessary for patient care. In 2021, OR 17 had an annual case volume of 799 cases and increased to 822 cases annually in 2022; however, due to needed repairs and upgrades throughout 2023 that required more downtime than in previous years, the annual volume of OR 17 was 669.

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A thorough review of the existing hybrid suite has been completed, and due to the age of the equipment and the need to provide minimally invasive and complex procedures, leadership recommends the turnkey replacement of the equipment in OR 17.

The total project cost is \$5,378,061 for the purchase and turnkey installation of a new hybrid system for OR 17 and the project timeline will take approximately six months to remove the current system and installation of the new system.

OR 17 Hybrid Upgrade	
Azurion 7 M20	\$ 2,043,814
Intrasight	\$ 118,181
LumiGuide Equipment	\$ 1,102,328
Sparq Ultrasound System	\$ 46,089
Turnkey	\$ 2,067,649
Total	\$ 5,378,061

The full replacement for the hybrid suite in OR 17 will increase the efficiency of the surgical throughput, which will result in an increase of available surgical prime time and improved access for patients that need highly specialized care and highly complex procedures.

RECOMMENDATION: Staff recommends the Board of Managers approve funding in the amount of \$5,378,061 and authorize the President/CEO to approve the purchase and installation of the Philips Azurion 7M20 for the upgrade of OR 17 in Sky Tower.

Comments / Discussion: Ms. Fernandez asked if there are other similar rooms in other local hospitals? Mr. Banos replied that most hospitals do have a couple of hybrid rooms. Dr. Cohen commented that not only Vascular but also Cardiac, and Thoracic surgery, a very large percentage of the work all involve the use of the Hybrid OR rooms and this type of equipment. It is critical to have this type of equipment and OR rooms available for a first class program as University Health has that we have this type of equipment because of the very rapid aging due to the heavy use of these rooms and to maintain them with state of the art, up to date technology.

ACTION: A **MOTION** to **APPROVE** staff's recommendation was made by Ms. Fernandez, **SECONDED** by Dr. Cohen, and **PASSED UNANIMOUSLY**.

EVALUATION: None.

FOLLOW UP: None

Consideration and Appropriate Action Regarding a Lease Amendment with 5282 Medical Dr., LLC for the Westgate Clinic and Approval of Related FFE and IT Infrastructure Expenses — *Don Ryden*

SUMMARY: In January 2020, UH entered into the Original Lease, which provided Suite 240 which consisted of 11,976 square feet of space which was utilized to co-locate NW Pediatric and Women's Health Services Clinic at the Westgate Medical Office Building.

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Suite 250 was added to the First Lease Amendment in June 2020 to relocate several providers from the NW Family Health Center. In May 2021, external signage rights were added to the lease agreement through the Second Lease Amendment. The Third Amendment would add suite 614, which consists of 5,875 rentable square feet. Approval of the Third Amendment would bring the total rentable square feet at 5282 Medical Drive to 21,790 rentable square feet. The addition of suite 614 would allow the providers to reallocate space amongst some of the Family, Women and Children providers in order to allow space for incoming Specialists. The Landlord is offering \$35/rsf toward Tenant Improvements, which will be used to prepare the space for patient care.

The term of The Third Amendment will begin on the Expansion Rent Commencement Date and expire Sixty (60) months following said Commencement Date. The Base Rent will be \$14,874 per month, with a 3% annual escalator. The breakdown of respective lease expenses during the term for Suite 614 are as follows:

Dates	Rent/SF	Monthly Rent	Total
5/1/24-4/30/25	\$30.38	\$14,874	\$178,488
5/1/25-4/30/26	\$31.29	\$15,320	\$183,843
5/1/26-4/30/27	\$32.23	\$15,780	\$189,358
5/1/27-4/30/28	\$33.20	\$16,253	\$195,039
5/1/28-4/30/29	\$34.19	\$16,741	\$200,890
		Sub-Total	\$947,618

The lease costs will be budgeted operational expense and is a modified gross lease which includes an operating expense stop for the calendar year 2024 at \$12.25 per sq. ft. assuming a 2% escalation per year in operating expenses, the following additional rental expenses can be estimated:

Dates	Rent/SF	Monthly Rent	Total
5/1/24-4/30/25	N/A	-0-	-0-
5/1/25-4/30/26	\$.26	\$127	\$1,528
5/1/26-4/30/27	\$.27	\$130	\$1,559
5/1/27-4/30/28	\$.28	\$133	\$1,590
5/1/28-4/30/29	\$.29	\$135	\$1,621
		Sub-Total	\$6,298

Total Lease Costs \$953,916

As part of the lease agreement, the landlord will provide a \$35/sq. ft. tenant improvements (T.I.) allowance. The project costs for the expansion space are identified below:

Project Cost:	
Design and Construction	\$ 623,978
Less: T.I. Allowance	<u>(\$ 205,625)</u>
Net Design and Construction	\$ 418,353
Furniture, Fixtures and Equipment	\$ 435,973
Information Technology	\$ 501,259
Security/Access Control	\$ 127,267
Signage	<u>\$ 11,500</u>
Total	\$1,494,352

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RECOMMENDATION: Staff recommends the Board of Managers approve the lease amendment with 5282 Medical Dr., LLC, thereby establishing a lease for suite 614 and expanding our presence within the Westgate Medical Tower located at 5282 Medical Drive, San Antonio, TX. The five (5) year lease expense for suite 614 is \$953,916. Staff also recommends Board of Managers approve the project costs and other associated costs therein not to exceed \$1,494,352 to be funded from the Board Designated Capital Account.

ACTION: A **MOTION to APPROVE** staff’s recommendation was made by Ms. Fernandez, **SECONDED** by Ms. Jasso, and **PASSED UNANIMOUSLY.**

EVALUATION: None.

FOLLOW UP: None

Consideration and Appropriate Action Regarding a Lease Agreement with Ridgeline Barlite MOB, LP for Clinic Space at 7500 Barlite, San Antonio, TX 78224 and Approval of Related FFE and IT Infrastructure Expenses — Don Ryden

SUMMARY: As growth continues, University Health is planning to open a primary care location with multi-specialty specialists at 7500 Barlite which is located near the South San Antonio High School campus and provides presence on the South side with close proximity to IH35, as well as Lackland Air Force Base. The 7500 Barlite property is subject to a Ground lease between Southwest General Hospital, L.P. (“Ground Lessor”) and Ridgeline Barlite MOB LP.

University Health has the opportunity to establish a primary care presence in South Central region of Bexar County. A space of approximately 4,186 sq. ft. located at 7500 Barlite, Suite 311 San Antonio is available for clinical use. University Health would lease and improve the space. This will be an expansion for University Medicine Associates allowing primary care services for adult, pediatric patients, Podiatry and Cardiology specialty clinics.

The proposed Lease Agreement is for 60 months commencing approximately April 1, 2024 or upon Substantial Completion of Landlord’s Work. The base rent for the initial year is \$23.00 per sq. ft., after which there will be a 3% annual rent escalation. Additional rent will require UH to pay their pro rata share of operating expenses, taxes and insurance. The lease expense is shown below:

Base Rent – Commencement Date is estimated, but will be adjusted accordingly to reflect the actual occupancy date.

Dates	Rent/SF	Monthly Rent	Total
4/1/24-3/31/25	\$23.00	\$8,023	\$96,278
4/1/25-3/31/26	\$23.69	\$8,264	\$99,166
4/1/26-3/31/27	\$24.40	\$8,512	\$102,138
4/1/27-3/31/28	\$25.13	\$8,766	\$105,194
4/1/28-3/31/29	\$25.88	\$9,028	\$108,334
Sub-Total			\$511,110

The agreement is based on a triple net lease which includes a common area maintenance (CAM) charge for the tenant pro-rata share of taxes, insurance and other related real estate expenses. Assuming a 3% escalation per year in operating expenses, the following additional rental expenses will be incurred:

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Dates	Expense/SF	Monthly Expense	Total
4/1/24-3/31/25	\$11.00	\$3,837	\$46,046
4/1/25-3/31/26	\$11.33	\$3,952	\$47,427
4/1/26-3/31/27	\$11.67	\$4,071	\$48,850
4/1/27-3/31/28	\$12.02	\$4,193	\$50,316
4/1/28-3/31/29	\$12.38	\$4,319	\$51,825
Sub-Total			\$244,464

Total Rent & CAM Expenses	\$755,574
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The lease costs will be a budgeted operational expense.

The space being leased is currently finished-out but will need minor renovations. As part of the lease agreement, the landlord will provide a \$20/sq. ft. tenant improvements (T.I.) allowance. The project costs for the expansion space are identified below:

Project Cost:

Design and Construction	\$ 344,000
Less: T.I. Allowance	<u>(\$ 83,720)</u>
Net Design and Construction	\$ 260,280
Furniture, Fixtures and Equipment	\$432,800
Information Technology	\$380,000
Security/Access Control	\$ 87,000
Signage	<u>\$ 25,000</u>
Total	\$1,185,080

RECOMMENDATION: Staff recommends the Board of Managers approve the Lease Agreement with Ridgeline Barlite MOB LP and authorize the President/Chief Executive Officer to sign the agreement. The five (5) year cost of the lease expense is \$755,574. In addition to the lease agreement, staff recommends the Board of Managers approve the project costs and other associated costs therein not to exceed \$1,185,080 to be funded from the Board Designated Capital Account.

ACTION: A **MOTION** to **APPROVE** staff's recommendation was made by Ms. Jasso, **SECONDED** by Ms. Fernandez, and **PASSED UNANIMOUSLY**.

EVALUATION: None.

FOLLOW UP: None

Consideration and Appropriate Action Regarding the Following Items for the Institute for Public Health:

- (a) an Agreement with Satterfield & Pontikes Construction, Inc. as the General Contractor for University Health Vida;
- (b) an Agreement with Structure Tone Southwest, LLC as the General Contractor for University Health Wheatley;

- (c) an Amendment to the Agreement with S. Jackson CCM Group, LLC d/b/a Integrated Construction Management Services for Project Management Services for University Health Vida and University Health Wheatley; and
- (d) Funding Associated Project Expenses
— *Don Ryden*

SUMMARY: In April 2023, University Health selected S. Jackson CCM Group, LLC d/b/a Integrated Construction Management Services (ICMS) to provide Owner’s Representative and project management (PM) services for the program as an extension of University Health staff. The Board approved the contract award in March 2023 and ICMS commenced full PM services in May 2023. Bexar County has granted University Health \$40 million of federal funds for two new Institute of Public Health facilities. University Health staff developed a Request for Competitive Sealed Proposal for Construction.

University Health received five proposals for construction. The University Health Staff conducted interviews with the General Contractors and selected the firms that offered best value to the project. Based on the proposed values, the increased project cost is \$55,999,698. Considering the \$40 Million reimbursable ARPA SLFRF Grant reduces the overall additional funding requirement for University Health to \$15,999,698.

The project budget includes General Contractor Cost, Commissioning Agent Services, Material Testing Engineering Services, Project Management services, Site Work & Utilities, FFE, Active IT, and Medical Equipment. The itemized cost breakdown follows:

General Construction	\$38,903,247
Commissioning Agent Services	\$ 264,460
Material Testing Engineering Services	\$ 270,938
Project Management Services	\$ 554,053
Municipal Services with Jurisdictional Authority (COSA/CPS)	\$ 2,025,000
Furniture, Fixtures, & Equipment	\$ 4,152,819
Active IT	\$ 6,759,181
Medical Equipment	\$ 3,070,000
Total Additional Funding Requirements	\$55,999,698
ARPA SLFRF Grant	-\$40,000,000
Total Additional Funding Required	\$15,999,698

The project budget also includes Architecture & Engineering and Project Management fees that have been previously approved by the Board of Managers. The itemized cost breakdown follows:

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Architecture & Engineering Services	\$4,328,132
Project Management Services	\$ 994,667
Total Approved Project Cost Approved to date	\$5,322,799

In summary, the additional required funding to complete the project is estimated to be \$55,999,698 plus the Architecture & Engineering and Project Management fees previously approved by the Board of Managers are \$5,322,799, for an estimated total project cost of \$61,322,497. See attachment A for the complete project budget.

The staff developed a Request for Competitive Sealed Proposal (RFCSP) RFCSP-223-09-064-CNST and advertised finding qualified general contracting firms that would bring best value to the project. Five respondents provided proposals for staff evaluation, all five firms were invited for interviews to present their project team, experience, and demonstrate why their firm would be the best fit for University Health. Once interviews were complete, Satterfield & Pontikes Construction, Inc. was determined to be the best valued firm for the Vida site and Structure Tone Southwest, LLC was determined to be the best valued firm for the Wheatley site.

An amendment with Integrated Construction Management Services (ICMS) to provide Owner’s Representative and PM services for the program will be required. To align with the construction schedule and allow project close-out. Staff recommends extending the current Terms of Agreement and Scope of Project Manager’s Services through December 2025. The negotiated fee for additional project management services through December 2025 is \$554,053.

Satterfield & Pontikes Construction, Inc. will include 79% local participation. Satterfield & Pontikes Construction’s workforce composition includes 330 employees and is as follows:

Category	American Indian/ Alaskan Native		Asian/Pacific Islander		African American		Hispanic		White		Other		Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Non-Professional	0	0.00%	0	0.00%	0	0.00%	10	3.03%	1	0.30%	0	0.00%	11	3.33%
Professional	0	0.00%	14	4.24%	15	4.55%	86	26.06%	200	60.61%	4	1.21%	319	96.67%
Total	0	0.00%	14	4.24%	15	4.55%	96	29.09%	201	60.91%	4	1.21%	330	100.00%

Structure Tone Southwest, LLC will include 88% local participation. Structure Tone Southwest’s workforce composition includes 235 employees and is as follows:

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Category	American Indian/ Alaskan Native		Asian/Pacific Islander		African American		Hispanic		White		Other		Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Non-Professional	0	0.00%	0	0.00%	6	2.55%	8	3.40%	13	5.53%	1	0.43%	28	11.91%
Professional	1	0.43%	2	0.85%	6	2.55%	52	22.13%	131	55.75%	15	6.38%	207	88.09%
Total	1	0.43%	2	0.85%	12	5.10%	60	25.53%	144	61.28%	16	6.81%	235	100.00%

RECOMMENDATION: Staff recommends the Board of Managers approve the required funding of \$55,999,698, with the reimbursable ARPA SLFRF Grant of \$40M for construction of the facilities and previously Board approved funding of \$5,322,799 and authorize the additional supplementary cost of \$15,999,698 from a Board Designated Capital Account for professional services, site work/utilities, FFE, Active IT, and medical equipment and authorize the President/Chief Executive Officer to execute the appropriate contract actions thereto as follows:

- Total requested amount to construct, furnish, and provide complete and usable University Health Vida and University Health Wheatley, in the amount not to exceed \$55,999,698.
- Owner-Contractor agreement with Satterfield & Pontikes Construction, Inc. as the General Contractor for the construction of the University Health Vida, in the amount not to exceed \$27,445,807.
- Owner-Contractor Agreement with Structure Tone Southwest, LLC as the General Contractor for the construction of the University Health Wheatley, in the amount not to exceed \$11,457,440.
- Owner-Contractor Agreement Amendment with S. Jackson CCM Group, LLC d/b/a Integrated Construction Management Services for the Project Management Services for both University Health Vida and University Health Wheatley, in the amount not to exceed \$554,053.

ACTION: A **MOTION** to **APPROVE** staff's recommendation was made by Mr. Hasslocher, **SECONDED** by Ms. Jasso, and **PASSED UNANIMOUSLY**.

EVALUATION: None.

FOLLOW UP: None

Consideration and Appropriate Action Regarding the Professional Services Agreements for the Institute of Public Health with:

- (a) WSP, Inc. as the Commissioning Agent for University Health Vida and University Health;
- (b) Terracon Consultants, Inc. for Materials Testing at the University Health Vida; and
- (c) Raba-Kistner, Inc. for Materials Testing at University Health Wheatley
— *Don Ryden*

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SUMMARY: In February 2023, the A/E team commenced full architectural and engineering design services for the Project. Final Construction Documents for both University Health Vida and University Health Wheatley were published in November 2023.

In April 2023, University Health selected S. Jackson CCM Group, LLC d/b/a Integrated Construction Management Services (ICMS) to provide Owner's Representative and project management (PM) services for the program as an extension of University Health staff. The Board approved the contract award in March 2023 and ICMS commenced full PM services in May 2023.

In November 2023, the staff developed a Request for Qualifications (RFQ) RFQ-223-09-063-SVC and advertised finding qualified commissioning firms that would bring best value to the project. Eleven respondents provided proposals for staff evaluation.

The firms that responded to the Request for Qualifications follow:

- Bernhard
- Bureau Veritas
- Command Commissioning, LLC
- EMA Engineering & Consultants
- Glumac
- Jones DBR Engineering Company, LLC
- LCCx, LLC
- Sebesta Inc. dba NV5
- SSR
- WSP USA Buildings, Inc.
- Wylie Engineering

In January 2024, the staff reviewed the eleven respondent's qualifications and after consideration of all proposals, staff exercised the option in the RFQ to make an award decision without further interviews, the staff selected WSP in accordance with current approved University Health procurement policies. The staff determined WSP USA Building, Inc to be the most qualified and best valued firm for both University Health Vida and University Health Wheatley due to their qualifications, previous experience, and local resources.

In November 2023, the staff developed a Request for Qualifications (RFQ) RFQ-223-10-069-SVC and advertised finding qualified firms that would bring the best value to the project.

The firms that responded to the Request for Qualifications follow:

- ECS Southwest, LLP
- Fenagh, Inc.
- Raba-Kistner, Inc.
- Terracon Consultants, Inc.

In January 2024, the staff reviewed the four respondents' qualifications and determined Terracon Consultants, Inc. to be the most qualified and best valued firm for University Health Vida site due to their qualifications, previous University Health experience and the fact that they have a local presence and are already currently engaged at University Health Palo Alto Hospital.

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The staff also determined Raba Kistner, Inc. to be the most qualified and best valued firm for University Health Wheatley due to their qualifications and previous University Health experience. Raba Kistner, Inc. also has a local presence, extensive experience in large healthcare programs, and qualified team resources.

The total cost of the award to WSP USA Building, Inc. is \$264,460, which includes direct and indirect costs. WSP USA Building, Inc. prepared their fee schedule following review of the existing design documents and established the required scope of work via discussion with the project team. The projected cost for University Health Wheatley is \$97,020 and \$167,440 for University Health Vida for a total cost of \$264,460.

WSP USA Building, Inc.	\$264,460
Terracon Consultants, Inc.	\$218,700
Raba Kistner, Inc.	\$52,238
Commissioning & Material Testing Services Total	\$535,398

The above contracts will be funded by the Board approved project budget.

WSP USA Building, Inc. will include 88% local participation. The workforce composition for WSP USA Building, Inc. includes 41 employees and is as follows:

Category	American Indian/ Alaskan Native		Asian/Pacific Islander		African American		Hispanic		White		Other		Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Non-Professional	0	0.00%	0	0.00%	1	2.44%	0	0.00%	0	0.00%	0	0.00%	1	2.44%
Professional	0	0.00%	4	9.76%	1	2.44%	19	46.34%	15	36.58%	1	2.44%	40	97.56%
Total	0	0.00%	4	9.76%	2	4.88%	19	46.34%	15	36.58%	1	2.44%	41	100.00%

Terracon Consultants, Inc. will include 100% local participation. The workforce composition for Terracon Consultants, Inc. includes 137 employees and is as follows:

Category	American Indian/ Alaskan Native		Asian/Pacific Islander		African American		Hispanic		White		Other		Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Non-Professional	0	0.00%	4	2.92%	3	2.19%	45	32.84%	20	14.60%	0	0.00%	72	52.55%
Professional	0	0.00%	8	5.84%	0	0.00%	20	14.60%	37	27.01%	0	0.00%	65	47.45%
Total	0	0.00%	12	8.76%	3	2.19%	65	47.44%	57	41.61%	0	0.00%	137	100.00%

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Raba Kistner, Inc. will include 100% local participation. The workforce composition for Raba Kistner, Inc. includes 788 employees and is as follows:

Category	American Indian/ Alaskan Native		Asian/Pacific Islander		African American		Hispanic		White		Other		Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Non-Professional	1	0.13%	13	1.65%	40	5.07%	167	21.19%	230	29.19%	19	2.41%	470	59.64%
Professional	1	0.13%	21	2.67%	10	1.27%	77	9.78%	197	25.00%	12	1.51%	318	40.36%
Total	2	0.26%	34	4.32%	50	6.34%	244	30.97%	427	54.19%	31	3.92%	788	100.00%

RECOMMENDATION: Staff recommends the Board of Managers approve Owner-Contractor agreements for Professional Services and authorize the President/Chief Executive Officer to execute the appropriate contract actions as follows.

- Owner-Contractor agreement with WSP USA Building, Inc. for Commissioning Services for University Health Vida and University Health Wheatley, not to exceed \$264,460.
- Owner-Contractor agreement with Terracon Consulting, Inc. for Material Testing Engineering Services at University Health Vida, not to exceed \$218,700.
- Owner-Contractor agreement with Raba Kistner, Inc. for Material Testing Engineering Services at University Health Wheatley, not to exceed \$52,238.

ACTION: A **MOTION** to **APPROVE** staff's recommendation was made by Dr. Kelley, **SECONDED** by Mr. Hasslocher, and **PASSED UNANIMOUSLY**.

EVALUATION: None.

FOLLOW UP: None

Consideration and Appropriate Action Regarding Guaranteed Maximum Price Proposals for the Community Hospitals for:

- (a) Major Mechanical Equipment, Drilled Piers, Pier Caps, and Mud Slab for the Construction Manager at Risk Agreement with Layton Construction Company, LLC at the University Health Retama; and
- (b) Suspended Slab and Major Mechanical Equipment for the Construction Manager at Risk Agreement with Turner/Byrne/Straight Line Management Joint Venture at the University Health Palo Alto

— Don Ryden

SUMMARY: In March 2023, the Board approved University Health's recommendations for Construction Managers (CMs) to collaborate with the A/E during the design phase and to provide pre-construction services as advisors and estimators.

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Turner-Byrne-Straight Line (TBS) Joint Venture was assigned as the CM for the University Health Palo Alto site and Layton Construction Company (Layton) will serve as CM for the University Health Retama site.

The Board approved early infrastructure improvements at University Health Palo Alto in July, and an amendment was executed with TBS Joint Venture to add this work to their Agreement in early August. Work on site has started and is on schedule.

Per the coordinated design schedule, a series of early release drawing packages (ERPs #1 - #4) will be published that allow the CMs to price, permit, and commence work on the site prior to the completion of the full set of construction documents in March 2024. The early design package approach enables work on site to start approximately four months earlier than waiting for the complete construction document issue.

TBS and Layton prepared individual Guaranteed Maximum Price (GMP) proposals following review of the ERP design documents and supplemental information from the A/E. The CM scopes of these GMPs for the Project includes:

TBS GMP #5

- Tower Cranes and Material Hoists
- Structural Concrete
- Structural Steel
- Major Mechanical Equipment
- BIM Coordination
- Plan Check and Permit Fees

Layton GMP #4

- Structural Steel
- Major Mechanical Equipment
- Drilled Piers
- BIM Coordination
- Plan Check and Permit Fees

TBS and Layton went to the market to seek proposals for this work. They each conducted a rigorous competitive process to recommend awarding this work to the subcontractors and manufacturers that would be the best value to the Project and could provide the resources needed to maintain the schedule. Staff concur. Staff recommend approval and award of GMP #5 to TBS and GMP #4 to Layton per their proposals. This award will require a combined increase to the approved Project budget in the amount of \$122,740,072.

The current TBS approved contract value is summarized below:

Preconstruction	\$ 1,232,000
GMP#A Public Works Drainage Project	\$ 11,613,724
GMP#1 Design Assist Subcontractors	\$ 3,166,223
GMP#2 Prefabricated Restroom Pods Design Assist	\$ 78,230

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GMP#3 Site Utilities and Grading	\$ 10,120,599
GMP#4 Major Electrical, Deep Foundations	\$ 34,729,109
Current Contract Value	\$ 60,939,885
Proposed net increase (GMP #5)	\$ 89,586,833
Proposed Total Contract Value	\$ 150,526,718

The current Layton approved contract value is summarized below:

Preconstruction	\$ 890,000
GMP#1 Design Assist Subcontractors	\$ 1,901,467
GMP#2 Prefabricated Restroom Pods Design Assist	\$ 82,674
GMP#3 Major Electrical, Sitework	\$ 37,945,683
Current Contract Value	\$ 40,819,824
Proposed net increase (GMP #4)	\$ 33,153,239
Proposed Total Contract Value	\$ 73,973,063

The total net cost of both GMP proposals combined is therefore \$122,740,072; Staff propose an increase in Board-approved funds to issue each GMP.

TBS’s proposed GMP #5 vendors include 88% local participation. The workforce composition for TBS current through GMP #4 includes 663 employees and is as follows:

Category	American Indian/Alaskan Native		Asian/Pacific Islander		African American		Hispanic		White		Other		Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Non-Professional	2	0.30%	2	0.30%	9	1.36%	324	48.87%	88	13.27%	0	0.00%	425	64.10%
Professional	2	0.30%	0	0.00%	2	0.31%	160	24.13%	74	11.16%	0	0.00%	238	35.90%
Total	4	0.60%	2	0.30%	11	1.67%	484	73.00%	162	24.43%	0	0.00%	663	100.00%

Layton’s selected GMP #4 vendors will include 100% local participation. The workforce composition for Layton current through GMP #3 personnel includes 325 employees and is as follows:

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Category	American Indian/Alaskan Native		Asian/Pacific Islander		African American		Hispanic		White		Other		Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Non-Professional	0	0.00%	3	0.92%	2	0.62%	168	51.69%	27	8.31%	0	0.00%	200	61.54%
Professional	0	0.00%	3	0.92%	3	0.92%	37	11.39%	82	25.23%	0	0.00%	125	38.46%
Total	0	0.00%	6	1.84%	5	1.54%	205	63.08%	109	33.54%	0	0.00%	325	100.00%

RECOMMENDATION: Staff recommend the Board of Managers approve the addition of GMP #5 to the CM Agreement with Turner Byrne Straight Line JV and GMP #4 to the CM Agreement with Layton Construction Company, LLC and authorize the President/Chief Executive Officer to execute the appropriate contract actions thereto in amounts not to exceed \$122,740,072:

TBS GMP #5 \$ 89,586,833
Layton GMP #4 \$ 33,153,239

ACTION: A **MOTION** to **APPROVE** staff's recommendation was made by Dr. Kelley, **SECONDED** by Mr. Hasslocher, and **PASSED UNANIMOUSLY**.

EVALUATION: None.

FOLLOW UP: None

Consideration and Appropriate Action Regarding the Financial Report for January 2024 — Reed Hurley

SUMMARY: University Health's consolidated bottom line for the month of January 2024 reflects a gain of \$10.7 million, \$8.9 million better than the budgeted gain of \$1.8 million. This gain to budget is primarily due to higher than budget investment gains of \$5.2 million, patient activity driving positive net patient revenue of \$4.5 million, and lower than budget employee compensation of \$3.6 million.

In January, clinical activity (as measured by inpatient patient days) was up by 8.2% and inpatient discharges were higher than budget by 10%. Volumes exceeded budget across all key service delivery areas.

Community First experienced a bottom line gain of \$307 thousand, which was \$119 thousand higher than the budgeted gain of \$188 thousand. Community First fully insured membership was down 20.7% to budget, the flat bottom line results were driven by a decrease in premium revenue offset by a decrease in claims expense and increase in investment income.

(Dollars in 000's)
Month

	Actual	Budget	Variance
Operating Revenue	\$248,720	\$256,199	(\$7,480)
Operating Expense	238,769	249,443	10,674
Operating Gain/(Loss)	\$9,950	\$6,756	\$3,195
Non Operating Revenue/(Expense)	\$741	(\$4,965)	\$5,706
Bottom Line	\$10,691	\$1,791	\$8,900

Consolidated Balance Sheet (Monthly Financial Report page 3) highlights are as follows:

- Days Revenue in Patient Accounts Receivable: 37.3 days on a budget of 38.0 days. Improved cash collections and AR cleanup has moved this metric in a positive direction.
- The Women’s and Children’s Hospital and associated projects has a budget of \$838 million, \$727 million has been paid to date leaving a balance of \$111 million. A large portion of the remaining balance is encumbered and expected to be paid on the project.
- The Community Hospitals project with a preliminary budget of \$1.2 billion currently has a reserved cash balance of \$821 million. The budget is now being trued-up based on final design development drawings, site conditions, projected workforce shortages in the skilled trades and other inflationary factors. University Health has paid out \$95 million to date on this project.
- Unencumbered funds reserved for future capital needs has a balance of \$144.3 million.
- University Health’s Net Asset Value has increased \$14.5 million year to date on a Generally Accepted Accounting Principles (GAAP) basis including debt service tax revenue and interest expense on bonds.
- Detailed information on Balance Sheet accounts is located on page 7 of the Monthly Financial Report.

RECOMMENDATION: Staff recommends approval of the January 2024 Financial Report subject to audit

ACTION: A **MOTION** to **APPROVE** staff’s recommendation was made by Mr. Hasslocher, **SECONDED** by Ms. Jasso, and **PASSED UNANIMOUSLY**.

EVALUATION: None.
FOLLOW UP: None

Presentations and Education: None at this time.

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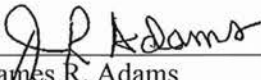
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Information Only Items:


1. Update on the Women's and Children's Hospital and Associated Projects — *Don Ryden*
2. Update on the Community Hospitals and Associated Projects — *Don Ryden*
3. Report on Recent Recognitions and Upcoming Events — *Leni Kirkman*

Adjournment — *Jim Adams, Chair*

There being no further business Mr. Adams adjourned the public meeting at 7:56pm



James R. Adams
Chair, Board of Managers



Margaret A. Kelley, MD.
Secretary, Board of Managers



Janie M. Guevara, Recording Secretary

The Board of Managers may recess during the open meeting in order to hold a closed meeting. Alternatively, a closed meeting may be held before the open meeting or after its adjournment.

Closed Meeting: A closed meeting will be held pursuant to TEX. GOV'T CODE, Section 551.085 to receive information regarding pricing, market data and/or financial and planning information relating to the arrangement or provision of proposed new services and/or product lines.

Closed Meeting: A closed meeting will be held pursuant to TEX. GOV'T CODE, Section 551.085 to receive information regarding pricing or financial planning information relating to a bid or negotiation for the arrangement or provision of services or product lines to another person if disclosure of the information would give advantage to competitors of the hospital district.